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FOR IMMEDIATE RELEASE

North Carolina Attorney and N.C. State Bar to Face Off in Court over Accusations
Asheville Attorney Alan Phillips and N.C. State Bar are in Lawsuit; Each Side
Alleges Serious Misconduct

ASHEVILLE, N.C., April 2, 2019 – In a high-stakes showdown that could end the career(s) of the losing side, Asheville attorney Alan Phillips and attorneys at the N.C. State Bar are embroiled in a lawsuit in which each is alleging misconduct on the part of the other. The lawsuit, which began last May with a demand for confidential client files, followed Phillips filing three separate complaints against State Bar attorneys and a hearing on February 12, 2019, in Wake County Superior Court and a court order that Phillips is now appealing. The timeline of the legal events of the case are as follows.

1. During a six-month period in 2017-2018, Phillips filed three separate complaints against N.C. State Bar attorneys, supported by legal analyses from two independent legal experts and 30 pages of documentation, claiming a pattern of ongoing misconduct on the part of a small group of State Bar attorneys. Phillips' complaints accuse the Bar attorneys of using false facts and law in disciplinary proceedings and in subsequent acts to suppress his complaints against State Bar attorneys; and of similar acts in the past against other attorneys in the past, resulting in the wrongful discipline and disbarment of innocent attorneys.

According to N.C. law [*Boyce v. NC State Bar*, 814 S.E.2d 127 (N.C. App., 2018)], such complaints must be referred out to another state Bar to address the inherent conflict of interest. However, the N.C. Bar has failed to provide for any independent review of the complaints against its own attorneys.

- 2. May 2018: The N.C. State Bar filed a lawsuit against Phillips, seeking a court order requiring him to turn over hundreds of confidential client files to determine whether Phillips is engaged in the unauthorized practice of law in other states without the appropriate license. The Bar's Petition, which launched the lawsuit, did not accuse Phillips of committing any specific act of misconduct; rather, N.C. State Bar attorneys wanted to review years of Phillips' confidential client files to determine if any such act had occurred. Phillips' Response denies any improper activity.
- 3. February 12, 2019: In *NC State Bar v. Phillips*, 18 CVS 6745, a Wake County Superior Court judge entered an order saying that N.C. Bar attorneys could investigate complaints against themselves, based on the legal doctrine of "res judicata" (here, that Phillips failed to appeal an administrative order addressing the Bar's alleged conflict of interest that preceded the current lawsuit), and the fact that the Bar's review of Phillips' complaints was conducted by Bar attorneys not named in Phillips' complaints. Phillips is

appealing the order, claiming "res judicata" does not apply to conflicts of interest, and that Bar attorneys not named in Phillips' complaints had a clear conflict of interest despite not being named in those complaints, since they were evaluating allegations against their direct superiors at the Bar, among other reasons.

- 4. March 8, 2019: Phillips filed a motion with more than 50 pages of supporting exhibits requesting the court exercise its authority under N.C. law to discipline State Bar attorneys for multiple acts of misconduct, and/or to initiate a full outside, independent disciplinary investigation of appropriate N.C. State Bar attorneys.
- 5. March 23, 2019: The Bar filed a motion asking the court to hold Phillips in contempt for failing to follow a court order requiring him to answer the Bar's discovery requests for information, documents and stipulations.
- 6. North Carolina law says that attorney misconduct concerns are a matter of protecting the public [Boyce v. NC State Bar, 814 S.E.2d 127 (N.C. App., 2018)]; therefore, redacted versions of Phillips' motion and exhibits alleging N.C. State Bar attorney misconduct are posted on the nonprofit Bar Watch, Inc. website, available to the public. The Bar has indicated it will be filing a response to Phillips' motion. Both motions could be heard in late April or early May.

According to Phillips, if a proper investigation of the N.C. State Bar attorneys occurs and confirms Phillips' allegations of misconduct and conflict of interest, State Bar attorneys could face serious discipline, up to and including disbarment. If the court finds that Phillips does not have a good reason for violating the court's February 12, 2019 order, he could face serious penalties for civil contempt, including jail time.

A group of about 270 of Phillips' former clients from around the U.S. are seeking representation, as a group, to intervene in the lawsuit, to protect and defend their privacy rights. Phillips is also seeking representation in the matter. For more information, visit https://barwatchonline.org.

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